

FY2020 Results(from April 1, 2020 to March 31, 2021) Supplementary Data

April 28, 2021
NGK INSULATORS, LTD.

[After consolidation elimination]

□ March 2021 Announcement

	FY2019 Year		FY2020 Year		YOY	FY2021 Year		YOY
	Results	Ratio	Results	Ratio		Forecasts	Ratio	
Net Sales	¥Bil. 442.0	100%	448.0 452.0	100%	+2%	485.0 485.0	100%	+7%
<Overseas Sales>	< 309.8 >	70%	< 324.5 >	72%	+5%	< 350.0 >	72%	+8%
Operating Income (%)	55.0 (12%)		49.0 50.8 (11%)		-8%	70.0 (14%)		+38%
Energy ^{*1} Infrastructure Business	43.3	10%	43.0 42.0	9%	-3%	43.0	9%	+2%
Operating Income (%)	-4.9 (-)		-4.5 -4.0 (-)		-	-2.0 (-)		-
Ceramics Business	251.8	57%	244.0 248.9	55%	-1%	280.0	58%	+12%
Operating Income (%)	53.5 (21%)		40.5 41.2 (17%)		-23%	58.0 (21%)		+41%
Electronics Business	55.4	13%	54.0 54.1	12%	-2%	47.0	10%	-13%
Operating Income (%)	0.0 (0%)		2.5 2.8 (5%)		-	3.0 (6%)		+8%
Process Technology Business	91.5	21%	107.0 107.0	24%	+17%	115.0	24%	+7%
Operating Income (%)	6.4 (7%)		10.5 10.9 (10%)		+69%	11.0 (10%)		+1%

*1 FY2020 "Power Business" was renamed "Energy Infrastructure Business"

	(Ratio)	(Ratio)	YOY	(Ratio)	YOY
Ordinary Income	52.0 (12%)	52.5 53.0 (12%)	+2%	68.0 (14%)	+28%
Profit Attributable to Owners of Parent	27.1 (6%)	38.0 38.5 (9%)	+42%	50.0 (10%)	+30%
R O E	5.8%	7.9%		9.6%	
E P S	¥84.73	¥121.61		¥159.89	
Dividend (Dividend Payout Ratio)	¥50(59.0%)	¥30(24.7%)		¥48(30.0%)	

FX Rate(¥/USD)	109	106	105
FX Rate(¥/EUR)	121	124	125

Capital Expenditures	94.0 (21%)	50.8 (11%)	-46%	44.0 (9%)	-13%
Depreciation Costs	39.6 (9%)	44.9 (10%)	+14%	49.0 (10%)	+9%
R&D Expenses	22.9 (5%)	22.4 (5%)	-2%	24.0 (5%)	+7%

Results for the fiscal year ended March 2021: Sales increased from the previous fiscal year while operating income declined. Both ordinary income and net income increased.

①Review of Operations by Business Segment (net sales and operating income)

【Energy Infrastructure】 Sales declined, but the deficit was reduced.

•Insulators

Sales decreased due to discontinuation of unprofitable products and other factors. The deficit was reduced through cost reduction and other measures.

•Energy Storage

Shipments remained sluggish both in Japan and overseas.

【Ceramics】

Lower sales and profits

•Automotive related

Although passenger car and truck sales recovered rapidly in the second half of the fiscal year, the sharp decline in the first half of the fiscal year resulted in a substantial decline in annual sales. Thus, demand for each product declined, led to lower sales and profits.

【Electronics】

Lower sales and higher profits

•Electric related

Sales and profits increased due to stronger demand for piezoelectric elements for HDDs and wafers.

•Package

Sales declined and a loss was incurred due to delays in the installation of mobile base stations in consequence of COVID-19.

【Process Technology】 Higher sales and profits

•HPC ※2

Sales and profits rose due to increased demand from strong foundry investment and recovery in memory investment.

②Foreign Exchange:

Sales -1.9 billion yen, Income -1.7 billion yen

Previous year ¥109 → current year ¥106/USD, ¥121 → ¥124/EUR

③Capital investment

Investment for increased production, mainly for automobile-related products and products for semiconductor manufacturing equipment, has run its course.

*2 HPC...Ceramic for Semiconductor Manufacturing Equipment

Outlook for the fiscal year ending March 2022 : Sales and profits will increase year-on-year with sales expected to hit a record high*.

①Review of Operations by Business Segment (net sales and operating income)

*FY2018 463.5 billion yen

【Energy Infrastructure】 Net sales will remain unchanged, and the deficit will be reduced.

•Insulators

The company is expected to return to profitability thanks to the streamlining of its workforce and improved sales prices despite sluggish demand.

•Energy Storage

Shipments will remain sluggish due to no large shipments in Japan and overseas. The deficit is expected to continue.

【Ceramics】

Higher sales and profits

•Automotive related

A significant sales increase is expected due to a recovery in demand for passenger cars and trucks that has continued since the second half of the previous fiscal year, in addition to tighter emissions regulations in countries including China and India. Profits are expected to increase due to higher sales despite an increase in depreciation and amortization.

【Electronics】

Lower sales and slightly higher profits

•Electric related

While demand for piezoelectric elements for HDDs is expected to be strong, sales are expected to decline due to changes in accounting standards for recording wafer sales and other factors. (*Soshin Electric Co., Ltd. was excluded from consolidation in the fourth quarter of 2020. Sales declined by 6.9 billion yen, and the deficit was reduced by 0.1 billion yen accordingly.)

【Process Technology】 Higher sales and slightly higher profits

•HPC

Sales will rise due to a high level of foundry investment and continued recovery in memory investment. Profits are expected to decrease due to an increase in depreciation and amortization and other factors.

•Industrial Process

Sales and profits will increase due to higher demand for heating devices for lithium ion battery cathode materials.

②Foreign Exchange:

•Year-on-year

Sales -0.5 billion yen, Income -0.2 billion yen

(Previous year ¥106 → current year ¥105/USD, ¥124 → ¥125/EUR)

•Effect per yen per year

USD (sales 1.3 billion yen, income 0.68 billion yen)

EUR (sales 0.6 billion yen, income 0.04 billion yen)

③Extraordinary Income

The 4.5 billion yen is to be recorded as subsidy for the capital expenditures made for production increase implemented in the past fiscal years.

④Dividend Forecast

The company plans to pay an interim dividend of 23 yen, a year-end dividend of 25 yen, and an annual dividend of 48 yen.

⑤Plans to acquire and retire treasury stock

(Up to 5 million shares and 10 billion yen, market buying: from April 30, 2021 to July 30, 2021)

[After consolidation elimination]

	FY2019 1st half		FY2020 1st half		FY2021 1st half		YOY
	Results	Ratio	Results	Ratio	Forecasts	Ratio	
Net Sales	¥Bil. 219.8	100%	¥Bil. 194.9	100%	¥Bil. 240.0	100%	+23%
<Overseas Sales>	< 155.2 >	71%	< 136.2 >	70%	< 170.0 >	71%	+25%
Operating Income (%)	31.6 (14%)		11.6 (6%)		34.0 (14%)		+194%
Energy *1 Infrastructure Business	20.6	9%	19.1	10%	20.0	8%	+5%
Operating Income (%)	-2.4 (-)		-2.3 (-)		-1.0 (-)		-
Ceramics Business	128.2	58%	98.3	50%	142.0	59%	+44%
Operating Income (%)	30.9 (24%)		6.6 (7%)		29.0 (20%)		+336%
Electronics Business	28.3	13%	26.8	14%	23.0	10%	-14%
Operating Income (%)	0.4 (1%)		0.6 (2%)		1.0 (4%)		-
Process Technology Business	42.7	19%	50.7	26%	55.0	23%	+8%
Operating Income (%)	2.7 (6%)		6.6 (13%)		5.0 (9%)		-24%

*1 FY2020 "Power Business" was renamed "Energy Infrastructure Business"

		(Ratio)		(Ratio)		(Ratio)	YOY
Ordinary Income	29.7	(14%)	12.2	(6%)	32.0	(13%)	+162%
Profit Attributable to Owners of Parent	21.2	(10%)	7.3	(4%)	25.0	(10%)	+244%

FX Rate(¥/USD) **109** **107** **105**

FX Rate(¥/EUR) **121** **121** **125**

Capital Expenditures	49.9	(23%)	29.0	(15%)	20.0	(8%)	-31%
Depreciation Costs	18.9	(9%)	21.7	(11%)	24.0	(10%)	+10%
R&D Expenses	10.6	(5%)	10.7	(5%)	12.0	(5%)	+12%